



**CITY MANAGER'S OFFICE**

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MIDLAND

*Making It Happen!*





**Back Row:**

Wes Perry, At-Large;  
LuAnn Morgan, District 1;  
Rick Menchaca, City Manager;  
Vicky Hailey, District 2;  
Scott Dufford, District 3

**Front Row:**

Bill Dingus, At-Large;  
Mike Canon, Mayor;  
Berry Simpson, District 4

## MAYOR'S MESSAGE

What a great time to call Midland home! Our city enjoyed a momentous year filled with growth and development.

Our economy reached record strength. Sales tax revenues are at all time highs and unemployment is the lowest in the state for the past two years, all while new businesses are opening their doors and many existing businesses are expanding to better serve their customers.

Midland is Making It Happen for those who choose to work, live, and play in our city. It takes the cooperation and partnership of both the private and public sectors to meet the needs of this growing community.

The good news of a strong economy, growth, and diversification brings a new set of challenges. We are faced with the task of recruiting and retaining an adequate workforce and developing housing for new residents.

Diversification to our economy is always a challenge and continues to be a top priority for our city. Although the oil and gas industry is currently doing well, Midland must look to the day when oil and gas will no longer be the primary industry in our community. An aggressive economic development plan was adopted in 2006 by the Midland Development Corporation and the City Council. The plan is used as a blueprint to follow in providing assistance to various companies wanting to located or expand their business in Midland.

Midland is well positioned for the future. We have much to be proud of, and many successes to relish. There still remains a great deal to be done, but with the support and involvement of the community, Midland will grow and continue to offer its citizens new opportunities to prosper.

# MIDLAND

*Making It Happen!*

## MANAGER'S MESSAGE

Many of today's successes can be attributed to the foundations laid by those who have shared in a vision. The City Council challenges the 900 hardworking and dedicated employees of the City of Midland to Make It Happen, each and every day, for the residents and business owners who call our city home.

Businesses are coming to Midland in record numbers with commercial building permits up 59% over last year. New business brings new residents. Building permits are at their highest level since the early 1980s. And yet another indicator of our strong economy, Midland's sales tax revenues, are up more than 20%. The planning of the past is coming to fruition and the manner in which our city is handling the growth is evidence of the hard work of many people.

As Midland grows, our organization is committed to providing the best, most efficient, services possible. In many situations, we have used technology and reorganization to handle the growing demands of basic service. Whether it is through the use of GPS, wireless meter reading, or laptops in the field, our employees are eager to learn new skills in order to provide better results. In fact, the Streets and Traffic Divisions were rolled into one, combined to create the Transportation Division. Since the inception of this new operational group, the employees have devoted themselves to cross training opportunities that have not only increased efficiency, but have boosted morale within the workforce.

As an employer, the city, not unlike other businesses in our area, is working hard to recruit and retain staff. We are committed to keeping employee compensation at market value by exploring new and better ways to assure our pay and benefits packages compare favorably to comparable positions in other cities and the private sector.

With our successes come new challenges. The City of Midland is ready to meet these new challenges by Making It Happen!



# PROGRESS

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## ECONOMIC DEVELOPMENT

Though the energy industry continues to be a major contributor to Midland's economy, the city has taken an active role to provide ongoing economic development. An aggressive economic development plan was adopted in 2006 by the Midland Development Corporation and the City Council. In 2006, the MDC provided assistance to various companies, including Countrywide, Trace Engines, and University Lands, resulting in the creation of several hundred new jobs.



## DOWNTOWN DEVELOPMENT

Downtown development is another priority. Wall Street reconstruction is in its final stages with a project completion date of April 2007. As a result, the downtown corridor will soon have a much different look and feel with wider sidewalks, trees, and brick pavers. This is not the only project underway in downtown. The completion of the Wall Street corridor redevelopment will be followed by significant private sector activity. During the past year, numerous downtown properties have changed hands, resulting in more local ownership. Several structures are scheduled for demolition, while other properties will be converted into residential condominiums. Downtown property owners anticipate, by demolishing certain structures and providing additional open space, more activity will follow in the form of new restaurants, retail, and parking.

A major component of downtown redevelopment, and the overall Master Plan, is the construction of a new convention center. A feasibility study confirmed the viability of a 150,000 square foot convention center. A citizen committee is currently reviewing and analyzing the study and will make further recommendations to the City Council.

## TRANSPORTATION

In 2006, the Midland-Odessa Transportation Alliance worked to obtain over \$34 million in additional state and federal transportation funding in order to further the development of the La Entrada al Pacifico corridor. The first phase of this project is scheduled to begin in 2007 in conjunction with the scheduled extension of Holiday Hill Road. Anticipated completion of the reliever route should be in the latter part of 2009. Near downtown, a railroad quiet zone is being established to manage the noise of train horns. This will help downtown living, hotels, and businesses along the rail line. Midland's mass transit system – EZ Rider – is providing a valuable service to our community. In 2006, ridership was up more than 9% over the prior year and more than 53% over the first year of service, serving more than 204,000 total riders in 2006. Hours of operation were recently extended by one hour each day, and an additional route was added. Last year, Midland received over \$200,000 in toll credits from TxDOT, as well as \$1 million in federal funds for the purchase of four larger, more efficient, buses.

## AIRPORT

Midland International Airport is an asset to the city as well as our region. Enplanements in 2006 were up 6% over 2005, and for the first time, exceeded pre-9/11 numbers by 1%. In an effort to ensure the facility remains a first class operation, improvements are being made with runway, taxiway, and shoulder work. In addition to safety, the city initiated a project to beautifying all airport entrances with drought tolerant vegetation, which will improve the overall appearance of the area.

## ENTRADA BUSINESS PARK

The first building in La Entrada Business Park at the Midland International Airport is 100% complete with a 40,000 square foot building ready for business. Atmos Energy plans to locate a new office facility just across the road from the business park. The first building in the business park was constructed with economic development funds and is expected to jump start growth in this area.

## JOB CREATION

In all, since Midland's economic development and diversification efforts began in 2000, over 2,400 direct jobs have been created with more than \$55 million in total payroll. Assisted companies include:

- *Submersible Oil Pumping Services - 82 jobs and their contract completed in 2006.*
- *TMP Trailers*
- *W Power - 10 jobs; 23 at the end of 2007; average salary of \$50,000.*
- *Cintas - 60 jobs; exceeding the 28 required November 2005.*
- *ACP - 450 jobs*
- *Countrywide Mortgage - 200 jobs*
- *Trace Engines - 7 jobs; 114 in the near future.*
- *Semperian - 447 jobs; exceeding 425 required by September 1, 2006.*
- *Big Tex Trailers Manufacturing – 239; exceeding the 222 required by November 1, 2006.*
- *Nova Star - 53 jobs; exceeding 39 required by November 2007.*
- *University Lands - 15 jobs; average salary of \$50,000.*



# GROWTH

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## ADEQUATE WORKFORCE

Midland's unemployment rate makes headlines each month, having been the lowest in the state for the past two years, currently sitting at 2.7%. The good news of a strong economy, growth, and diversification brings a new set of challenges. One of Midland's challenges is an adequate labor force. The Midland Development Corporation (MDC), together with the City of Midland and many other employers in the city, are currently exploring new and different ways to bring potential employees to our community through various means. Midland officials and private employers traveled to Fort Hood in an effort to recruit potential employees. The MDC recently hired a Workforce Development Coordinator and a Director of Business Retention and Expansion, while the city has staffed a recruiter position. Recently launched, the **makemidlandhome.com** website targeted at attracting those who might consider relocating to our community. In addition, a committee known as Generation WOW, comprised of a mix of young professionals 40-years-old and younger, regularly meets with the Mayor and community leaders to offer suggestions relating to a wide range of topics including recruiting, technology, and education.



## HOUSING STRATEGY

In 2006, Midland grew in population to a record number of 101,033 citizens. The city is faced with another challenge – available housing. In an effort to address this situation, the city recently initiated a program of offering rebates to builders who are willing to construct quality workforce housing. This program is intended to address the need for homes in the \$80,000-\$160,000 range. In addition, the City Council approved three proposed apartment complexes to be constructed soon. Officials are hopeful that projects such as these will help address Midland's housing shortage and contribute to the city's goals for economic development.

## NEW DEVELOPMENT

Drive around in any part of Midland and notice new development and redevelopment going on throughout the community. Building permits are at their highest level since the early 1980s. There were 470 new single-family home permits issued in 2006, up 20% from last year. New commercial permits were up 59%. In 2006, Midland welcomed Mardel Bookstore, Dollar Tree, Texas Roadhouse, Jason's Deli, Auto Zone, Advance Auto Parts, Ashley Furniture, and the Midland County Horseshoe Multipurpose Facility. Also under construction is the Rankin Highway Visitors Center, located by the Petroleum Museum on Interstate 20. These new initiatives contribute to strong retail business and a growing sales tax base. One of the most exciting aspects of our recent economic development efforts is the surge of development in South Midland. This area, particularly along Interstate 20, is a "hot spot" for development. With 17,300 vehicles and nearly 8,000 trucks driving Interstate 20 through Midland daily, new retailers such as Wal-Mart, McAlister's, and Starbucks, are thriving in their new locations.



## ANNEXATION

During 2006, the city implemented an Annexation Master Plan that is designed to address the "window pane" areas of the city as well as the growth of the community. Over the last two years, the city has annexed 2,275 acres of land into the city limits. These annexations have been at the request of the landowners and have enabled the residents in the newly annexed areas to receive city water and various other city services.

## STRATEGIC GROWTH

The Midland City Council adopted the largest single decrease in the property tax rate since 1982, lowering the rate to 58.7-cents per \$100 valuation.

Sales tax revenues for Fiscal Year 2005-06 are up more than 20% and the trend is continuing in 2007.

Midland's cost of living is below the national average, being the 8th least expensive city in which to live in Texas, and the 17th least expensive city in which to live in the U.S.

Midland's median household income rose in 2006 to an average of \$38,042.

Midland grew to 68.34 square miles following multiple annexations.

The Midland Independent School District just completed renovations at seven secondary campuses and has called for a bond election to address improvements at elementary campuses.

Midland Memorial Hospital broke ground on a medical building incorporating 87,000 square feet, creating a climate controlled connection to the main campus.

Midland College is moving forward with a five-year-plan to implement \$41.8 million in expansions and renovations to increase classrooms, lecture halls, laboratory facilities, and learning resources.



# RESOURCES

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## FUTURE WATER

Water is probably the most important issue confronting Midland and its future. In 2006, the City's Water Resource Committee presented the City Council with a strategy to meet the city's short-and long-term water supply needs. This strategy involves utilization and development of current water supplies and reserves, as well as initiatives for incorporating state-of-the-art technology for water purification. The city has completed an evaluation of such sources, the T-Bar Ranch and the Paul Davis Well Field. The results of these studies will be used in planning for water availability as Midland continues to grow. The city and the Colorado River Municipal Water District recently partnered on a study regarding the re-use of effluent water for various purposes. The City of Midland will soon be constructing a "satellite" effluent reuse plant to provide irrigation water to Midland College as a demonstration project for this technology. City officials are also working with the school district and Midland College on providing incentives to seek groundwater and improve irrigation efficiencies. In partnership with Keep Midland Beautiful, the city will be expanding efforts to educate our citizens regarding simple steps they may initiate to help reduce water use, especially outdoor use during the summer months, when landscape watering can consume 40-60% of total water use.



## EFFICIENT CITY GOVERNMENT

Midland proudly boasts 900 dedicated and hardworking city employees. These employees pride themselves on delivering the best services to the citizens of this community each and every day. Attracting new employees, and ensuring employee retention is top priority for the city. Midland continually reviews resources to assure the city is offering strong compensation and benefit packages to the employees – both current and future – to stay competitive with the marketplace.

One of the innovative processes to ensure efficient city operations is the Managed Competition Committee. This committee systematically reviews the systems and operations of the different departments of the city. As an example of the impact of this committee, the city recently decided to contract with Midland Memorial Hospital for EMS billing and collection, instead of performing the function in-house. The result has been positive as the city recently received its first-ever positive cash flow related to EMS services.

The City of Midland Finance Department is constantly looking for ways to maximize our return on city funds as well as to minimize the cost of city debt. The City Council approved refinancing the debt for the terminal building at Midland International Airport, saving over \$100,000 a year in interest costs. In addition, refinancing of the Scharbauer Sports Complex bonds will allow the city to pay off the complex in 2022, instead of the previously scheduled 2030 payoff, with a total interest savings of \$12 million.



Midland's General Reserves are up 45% from last year and our General Fund Expenses in Fiscal Year 2006 were more than one-million below budget.

## TECHNOLOGY AT WORK

Midland is always attempting to take advantage of savings that can be realized from utilization of new technology.

Helping keep up with increased demands, nearly 700 automated/wireless water meters have been installed in neighborhoods throughout the city. The technology reduces the amount of time spent walking from one meter to another to obtain a monthly reading. Now, a meter reader can drive in a vehicle equipped with a laptop computer, and read the meters without ever getting out of the truck. The city anticipates eventually replacing all 34,000 meters in operation.

The city installed GPS devices in a majority of its fleet of vehicles. Since the installation of these GPS devices, the city has saved over 10% in fuel, has saved on increased mileage per vehicles and has extended the life of the fleet.

The city launched a new website in 2006, which is easier to navigate and offers more online services, such as paying traffic tickets, paying utility bills, viewing lost animals, locating sex offenders, and communicating with the Mayor, Council and city staff.

The Midland Health Department hosted a business forum aimed at engaging community leaders in discussion and emergency preparedness for a pandemic such as the avian flu. By utilizing videoconference capabilities, the free event reached outlying smaller communities as well.

# NEIGHBORHOODS

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## PARKS & RECREATION

Midland has a great deal to offer its citizens and the many people who visit the city. The city gives significant attention to the city's parks and recreational activities.

In 2006, significant changes were made to the Martin Luther King, Jr. Community Center. Renovations and expansion at the Center included a multi-purpose performing arts area and more spectator space in the existing gym. This project was made possible with a matching \$750,000 grant from Texas Parks & Wildlife.

Other park improvements include lighting and fencing at little league fields; new shade structures, diving boards, and lights at Doug Russell Pool, as well as a bathhouse underconstruction; lights at the skate park; installation of a disc golf course; and the opening of a one and a half mile hike and bike trail.

Improvements are being made to the Scharbauer Sports Complex, including the new video board at Grande Communications Stadium, and construction of six new suites, new shade structures, and play equipment at Citibank Ballpark.

And what has quickly become one of Midland's most used parks, the off-leash dog park, opened in 2006. The five-acre area is a meeting place for four-legged friends and pet owners alike. Improvements are already being made with the installation of benches, shade structures, and a walking trail.



The support, direction, and participation of Midlanders have a direct impact on the success of these projects. In fact, nearly 1,000 residents participated in a recent Parks & Recreation survey. Their input will help guide the future of our city's parks and recreational activities through a long-range Parks & Recreation Master Plan which will target improvements over the next 10 years.



## BEAUTIFICATION

Making Midland an attractive place to call home would not be possible without the support of the entire community. Citizens have assisted in efforts to pick up trash by contributing to the voluntary litter abatement fee. To better enhance these efforts, the City Council recently decided to differentiate litter abatement from recycling, and yet address the need for both. Funds are now available to help focus efforts toward educating the public about the importance of reducing litter and the importance of recycling. In addition, the city added a monthly fifty-cent recycling fee to provide adequate equipment and personnel to keep up with the increased recycling participation by our citizens.

## TARGET AREAS

Midland's Community Development Block Grant (CDBG) Target Areas are helping to revitalize underdeveloped areas of the city. A large portion, 60%, of CDBG funds are now being directed toward these target areas. Currently, there are three CDBG target areas selected by the City Council. In 2006 alone, 18 homes were built in these CDBG target areas, along with the city's newest neighborhood park, named after the late city Council Member James M. Bradford. These target areas have become a community-wide effort, with groups such as Leadership Midland



helping to raise funds for park equipment and Keep Midland Beautiful helping to secure grants needed to purchase trees.

## SAFETY

Midland is not only a great place live, but a safe place as well.

The growth of the community has officials with the Midland Fire Department taking steps to build a new fire station to be located in Northwest Midland. In addition, a new ambulance was added to better provide service to the entire city. Also in 2006, the MFD became involved in the Baby Moses program. Each fire station, along with both hospital locations, are now designated as safe baby sites where a parent can drop off a newborn without questions as an alternative to newborn abandonment.

Working closely with the Fire Department is the Midland Police Department. This agency recently was honored with its fifth straight accreditation and designated as a Flagship Agency serving as a role model for other departments throughout the nation. The MPD was also recognized for their outstanding efforts during National Night Out. Almost 3,000 Midlanders participated in National Night Out in 2006, helping MPD place 8th in the nation for its efforts. A bomb robot was purchased with Homeland Security Grant funds to assist in emergency situations. In another effort to help keep children safe, the MPD improved the way it routinely checks on registered sex offenders, assigning each patrol officer at least one offender to check on quarterly.

In 2006, Part One crimes decreased 2%. The City of Midland was ranked in the top 35% as one of the safest American cities in which to live.